

Message Text

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FM SECSTATE WASHDC

TO AMCONSUL JERUSALEM PRIORITY

AMEMBASSY TEL AVIV PRIORITY

S E C R E T STATE 092797

EXDIS TOSEC 304 JERUSALEM ONLY ZFF

FOR AMBASSADOR BUNKER

FOLLOWING REPEAT PANAMA 2564 ACTION SECSTATE INFO GOV PAN CANAL

USCINCSO 06 MAY

QUOTE

S E C R E T PANAMA 2564

EXDIS

S/S-O PASS TO THE SECRETARY'S PARTY FOR

AMBASSADOR BUNKER FROM BELL

EO 11652: XGDS

TAGS: PN, PFOR

SUBJ: US-PANAMA TREATY NEGOTIATIONS: REPORT OF
DEVELOPMENTS 4/28 - 5/5/74.

I. SUMMARY

COMFORTED BY THE ATTENTIONS OF THE HIGHEST-RANKING UNITED

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STATES OFFICIALS DURING THE CHIEF NEGOTIATOR TALKS IN WASHINGTON

APRIL 23-25, AND WITH EYES OPENED WIDER BY PERSONAL EXPOSURE TO THE CONGRESS, FOREIGN MINISTER TACK HAS (A) ACCEPTED YOUR PROPOSAL THAT THE PARTIES NOW MOVE INTO SUBSTANTIVE NEGOTIATION, AND (B) SENT SIGNALS OF PANAMANIAN NEGOTIATING FLEXIBILITY.

SINCE YOUR DEPARTURE WITH THE SECRETARY, THE DEPUTY NEGOTIATORS HAVE BEEN WORKING IN WASHINGTON AND ARE NOW TO BE COMPLETING ON CONTADORA ISLAND A FINAL PAPER IDENTIFYING THE MAJOR ISSUES IN THE NEGOTIATIONS, IN PREPARATION FOR THE CHIEF NEGOTIATORS' FIRST SUBSTANTIVE TALKS IN PANAMA AT THE END OF MAY.

TO PREPARE FOR THE BARGAINING TO COME I RECOMMEND ESTABLISHING A GROUP TO REVIEW EXISTING UNITED STATES NEGOTIATING POSITIONS, NOW ALMOST THREE YEARS OLD, TO ASSURE THAT WE DO NOT BEGIN WITH UNSUITABLE CHIPS.

II. THE DEPUTY NEGOTIATORS' TALKS

AS THE CHIEF NEGOTIATORS HAD INSTRUCTED, THE DUPUTIES RESUMED THE PROCESS OF ISSUE IDENTIFICATION APRIL 29 AND CONTINUED UNTIL THE MORNING OF MAY 5. LATER THAT DAY KOZAK AND I DEPARTED FOR PANAMA TO COMPLETE THE PROCESS AT THE MINISTER'S REQUEST AND WITH YOUR CONCURRENCE.

FOR REASONS I DO NOT KNOW THE MINISTER SENT WORD THAT WE SHOULD PROCEED TO CONTADORA MAY 6 EVEN THOUGH IT TURNS OUT THAT AMBASSADOR GONZALEZ IS NOW NOT SCHEDULED TO ARRIVE ON THE ISLAND UNTIL SEVERAL DAYS LATER.

PERHAPS THE MINISTER WISHES THE U S REPRESENTATIVES TO BE OUT OF THE REACH OF THE PRESS. OR PERHAPS, AS COULD BE INFERRED FROM SOME OF GONZALEZ' REMARKS IN WASHINGTON, THERE ARE TO BE SOME PANAMANIAN OFFICIALS "DROPPING IN" ON CONTADORA PRIOR TO THE AMBASSADOR'S ARRIVAL. THESE PEOPLE WORK IN ARCANE WAYS.

IN ANY EVENT KOZAK AND I HAVE ENOUGH TO DO WITHOUT THE AMBASSADOR'S COMPANY FOR A TIME. TAKING THE INITIATIVE - PRESUMABLY IN RESPONSE TO OUR PERSISTENT PLEAS FOR PANAMANIAN INITIATIVES, NOT JUST REACTIONS TO AMERICAN ONES - GONZALEZ

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PRODUCED AT THE END OF OUR WASHINGTON TALKS A NEW WORKING PAPER ENTITLED "TENTATIVE CONSOLIDATION OF THE MAJOR ISSUES", WITH AN OFFICIAL DATE OF 4/29/74.

AT THIS WRITING I HAVE ONLY JUST TRANSLATED IT, BUT IT LOOKS LIKE SOMETHING WE CAN USEFULLY WORK WITH DURING THE CONTADORA TALKS. I SHALL BE CONSULTING WITH WASHINGTON AGENCIES THOUGHTOUT.

I MIGHT MENTION ONE ASPECT OF GONZALEZ' PRODUCT NOW. ON DELIVERING IT HE SAID THAT THE MINISTER RECOGNIZED THE UNITED STATES HAD STRAINED HARD TO DISCOVER SOME POINTS IN THE MINISTER'S 3/19/74 PAPER WHICH COULD BE CHARACTERIZED AS MAJOR ISSUES, AND APPRECIATED THAT GESTURE, BUT WOULD NOT HOLD US TO THE SEVEN WE HAD SO IDENTIFIED. HE ASKED THAT THE DEPUTIES RE-EXAMINE THEM "WITH REALITY IN MIND."

I SAID THAT WAS THE SORT OF CANDOR THE U S SIDE APPRECIATED, AND WE COULD RE-EXAMINE THEM TOGETHER, BUT RIGHT OFF I THOUGHT WE SHOULD ELIMINATE THE ONE WHICH DEALS WITH THE "THREAT OF REAL AGGRESSION", AND HE AGREED. (THE DEFENSE DEPARTMENT HAD FELT THAT THIS IS A MATTER WHICH MIGHT BETTER BE HANDLED BY BURYING IT IN THE MAJOR ISSUE DEALING WITH OVERALL DEFENSE MATTERS.)

III. FUTURE SCENARIO

DURING THE DEPUTIES' WASHINGTON TALKS GONZALEZ CONFIRMED, ON INSTRUCTIONS, THE MINISTER'S AGREEMENT WITH YOUR PROPOSAL THAT, ONCE A MAJOR-ISSUES PAPER IS APPROVED, IT WOULD BE APPROPRIATE TO PROCEED INTO SUBSTANTIVE CONVERSATIONS. HE BELIEVED AS YOU DID THAT THE SUB-ISSUES AND "TECHNICAL MATTERS" WILL MORE OR LESS FALL INTO PLACE AS THE MAJOR ISSUES ARE TREATED.

THE MINISTER PROPOSED THAT YOUR PLANNED VISIT TO CONTADORA IN LATE MAY BE DEVOTED, FOLLOWING APPROVAL OF THE ISSUES PAPER, TO THE FIRST SUBSTANTIVE CONVERSATIONS - AND THAT THE ISSUE OF JURISDICTION BE ADDRESSED FIRST.

I TOLD GONZALEZ THAT I THOUGHT YOU WOULD WELCOME THE OPPORTUNITY TO BEGIN TALKING SUBSTANCE ON YOUR NEXT VISIT. BUT I WOULD HAVE TO THINK ABOUT WHETHER THE JURISDICTION ISSUE SHOULD
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BE TAKEN UP FIRST, CONSULT IN WASHINGTON, AND FINALLY PRESENT RECOMMENDATIONS TO YOU. GONZALEZ QUICKLY REPLIED THAT IF THE UNITED STATES THOUGHT DIFFERENTLY, PANAMA WOULD WELCOME THOSE THOUGHTS.

PERHAPS WE SHALL THINK DIFFERENTLY. UNDER EXISTING PRESIDENTIAL GUIDANCE YOUR NEGOTIATING FLEXIBILITY IS ABOUT AT ITS BROADEST WITH RESPECT TO JURISDICTION. WE SHALL HAVE TO SORT OUT THE SEVERAL PROS AND CONS OF YOUR AGREEING TO TREAT AT THE VERY OUTSET AN ISSUE ON WHICH YOUR CONCESSIONARY POWERS ARE MAXIMAL - AND OF OVERRIDING IMPORT TO PANAMA.

AMBASSADOR GONZALEZ ADMITTED THAT JURISDICTION HAD BEEN SELECTED (A) BECAUSE FROM THE VIEWPOINT OF TORRIJOS AND THE PANAMANIAN COMMON MAN IT IS CRITICAL, AND (B) BECAUSE OF A BELIEF THAT IF

THIS ISSUE COULD BE RESOLVED SATISFACTORILY, RESOLUTIONS OF OTHER
ISSUES WOULD COME MORE EASILY. ANOTHER PANAMANIAN REASON,
DOUBTLESS, IS THAT JURISDICTION IS FINE TERRAIN ON WHICH T
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